

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services Agency	(2) MEETING DATE 6/18/2013	(3) CONTACT/PHONE Janette Pell, General Services Agency Director 805-781-5200	
(4) SUBJECT Request to create a new capital improvement project to replace the Honor Farm laundry facility at 885 Oklahoma Avenue, and authorize a budget adjustment in the amount of \$382,665 from Risk Management's Liability Self Insurance Fund.			
(5) RECOMMENDED ACTION It is recommended the Board: <ol style="list-style-type: none"> 1. Create a new Capital Improvement Project to construct the Honor Farm Laundry Facility, and 2. Approve a Budget Adjustment Request of \$382,665 from insurance funds received in Risk Management's Liability Self Insurance Fund to fund the project. A four-fifths vote is required.			
(6) FUNDING SOURCE(S) Liability Self Insurance Fund: \$382,665	(7) CURRENT YEAR FINANCIAL IMPACT Current project funding from insurance claim: \$382,665	(8) ANNUAL FINANCIAL IMPACT NA	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) NA		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1213160 <input checked="" type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Geoff O'Quest, Administrative Analyst			
(18) SUPERVISOR DISTRICT(S) District 2 -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency / Janette Pell, General Services Agency Director
805-781-5200

DATE: 6/18/2013

SUBJECT: Request to create a new capital improvement project to replace the Honor Farm laundry facility at 885 Oklahoma Avenue, and authorize a budget adjustment in the amount of \$382,665 from Risk Management's Liability Self Insurance Fund.

RECOMMENDATION

It is recommended the Board:

1. Create a new Capital Improvement Project to construct the Honor Farm Laundry Facility, and
 2. Approve a Budget Adjustment Request of \$382,665 from insurance funds received in Risk Management's Liability Self Insurance Fund to fund the project.
- A four-fifths vote is required.

DISCUSSION

The Sheriff's Honor Farm laundry facility was destroyed by fire on November 12, 2012. The cause of the fire was determined to be accidental, resulting from an improperly wired residential grade electrical appliance located in the area housing the large capacity dryers. The building and equipment were not salvageable.

Immediately following the fire, the Sheriff's Office contracted with the California Men's Colony (CMC) to provide inmate laundry services. The County's insurance company provided a commercial grade mobile laundry facility for onsite processing of clothing and garments too sensitive for processing by CMC. This mobile facility was inadequate for the volume and institutional nature of the laundry. The substandard mobile facility was replaced by renovating the Sheriff's bike barn, purchase and installation of institutional grade washers and dryers, and construction of a metal building to replace the displaced bike barn. All funding is currently provided by the insurance company with project management and oversight by the General Services Agency (GSA). Renovation of the bike barn and construction of the new building was recently completed.

Prior to the fire, a new washer and dryer was purchased and installed in the Sheriff's laundry facility to accommodate Animal Services laundry needs. This equipment is not salvageable and will be replaced as part of the Sheriff's facility replacement. Currently, Animal Services' laundry is done under contract by Mission Linen Supply and is funded by the insurance company.

The General Services Agency recommends the Board create a new capital project and approve a budget adjustment in the amount of \$382,665 from funding submitted by the insurance company as initial payment against a final claim for the destruction of the Sheriff's laundry facility. These actions will allow GSA to begin the process of replacing the facility by initiating design and engineering, soils and materials testing, and cost estimating to substantiate estimates prepared by the insurance company. The final settlement will be determined when the project is completed.

OTHER AGENCY INVOLVEMENT/IMPACT

The County Risk Manager, Sheriff's Office, and GSA are involved in processing the insurance claim for the facility that burned down. GSA staff and the Sheriff's Office were instrumental in providing a temporary laundry facility and the initial work to replace the facility permanently. Planning and Building's Office of the Environmental Coordinator, and the Air Pollution Control District are involved in the review of environmental concerns for removing the remainder of the building and replacing it.

FINANCIAL CONSIDERATIONS

The General Services Agency is requesting the Board approve creation of a new capital improvement project and approve a Budget Adjustment to move an advance from the insurance company totaling \$382,665 to reconstruct the Honor Farm Laundry Facility. Payment of the advance was received by the County from the insurance carrier as partial reimbursement of the Sheriff's Honor Farm laundry fire claim. The funds were initially placed in Risk Management's Liability Self Insurance Fund.

By creating the new capital project and approving the budget adjustment, the County can begin the process of developing plans and specifications for the repair or replacement of the facility. These activities include, substantiating insurance cost estimates, design, engineering, geotechnical engineering, soils and material testing, environmental determination, etc. The County anticipates a future budget adjustment to move a final settlement payment from the insurance company to fully fund the project.

RESULTS

The Sheriff's Honor Farm laundry provides an essential service to the Jail, Honor Farm, Juvenile Hall, Animal Services and County's Psychiatric Health Facility. The permanent replacement of the laundry facility will ensure the provision of cost-effective laundry services to County operations. Replacing the laundry and its operations supports the County's vision of a healthy and safe community.

ATTACHMENTS

1. Vicinity Map